

Message Text

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ORIGIN TRSE-00

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 EUR-12 /087 R

DRAFTED BY TREAS:MRYSS:SMCP

APPROVED BY EB/IFD/ODF:JABWINDER

TREAS:VASTINE

TREAS:SYVRUD

XMB:GOODMAN

XMB:MINIKES

EB/IDF/ODF:FHTHOMAS

EA/J:DFSMITH

----- 064786

R 312218Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: XMB, EFIN,EAID, JA

SUBJECT: PROPOSED INCREASE IN JAPAN EXIMBANK LOAN
DISBURSEMENT

REF: TOKYO 12477

1. THERE IS CONSIDERABLE CONCERN AMONG USG AGENCIES WITH
MITO PROPOSAL REPORTED PARA 10 REFTEL TO INCREASE JAPAN
EXIMBANK LOAN DISBURSEMENTS BY 35 PERCENT DURING NEXT FIS-
CAL YEAR. AS EMBASSY AWARE, MAJOR INTERNATIONAL EFFORT WAS
ENDORSED BY RAMBOUILLET TO REDUCE USE OF GOVERNMENT-SUP-
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PORTED EXPORT CREDITS AS AN INSTRUMENT OF COMPETITION. AS

FOLLOW-UP, UNILATERAL DECLARATIONS BY U.S., JAPAN, UK, FRANCE, GERMANY, ITALY, AND CANADA PROVIDED BASIS FOR REDUCING THIS COUNTERPRODUCTIVE COMPETITION. DECLARATIONS ARE FOR ONE-YEAR TRIAL PERIOD BUT OBVIOUS HOPE AND EXPECTATION IS THAT THEY CAN BE FORMALIZED AND STRENGTHENED.

2. EXPANDED USE OF JAPAN EXIMBANK TRADE CREDITS ENVISAGED BY MITI IN FY 77 WITH EMPHASIS ON INDUSTRIAL PLANT EXPORTS, RAISES QUESTIONS CONCERNING POSSIBLE FUTURE EXTENSION OF UNILATERAL DECLARATION TO MORE COMPREHENSIVE ARRANGEMENT AND MORE BASICALLY, JAPAN'S DEDICATION TOWARD FURTHER REDUCTION IN COMPETITION THROUGH GOVERNMENT SUPPORTED EXPORT CREDITS.

WHILE MITI PROPOSAL MIGHT NOT NECESSARILY RESULT IN ANY PULL BACK FROM TERMS OF EXPORT CREDIT CONSENSUS, IT HAS STRONG POTENTIAL, UNDER PRESENT CONDITIONS, TO REVERSE THE TREND TOWARD MORE RESTRICTED USE OF OFFICIALLY SUPPORTED EXPORT CREDITS AS AN ELEMENT OF COMPETITION WHICH U.S. AND JAPAN, AMONG OTHER CONSENSUS PARTICIPANTS, HAVE ENDORSED.

3. GIVEN THE HIGH LEVEL OF JAPANESE OFFICIAL RESERVES, THE PREDICTION OF EVEN SOME PRIVATE SECTOR JAPANESE ECONOMISTS THAT THE NATION'S TRADE SURPLUS FOR FY 76 WILL BE 10 BILLION DOLLARS, AND THE EXPECTATION OF A SURPLUS IN FY 77 IT IS DIFFICULT TO SEE ANY COMPELLING NEED FOR JAPAN EXIMBANK ACTION.

4. EMBASSY REQUESTED ADVISE MOF AND MFA OF USG CONCERN IN LOW-KEY MANNER AND REPORT REACTION. ROBINSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, EXPORT CREDIT GUARANTEES, BALANCE OF PAYMENTS SURPLUS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE216157
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Document Unique ID: 00
Drafter: MRYSS:SMCP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760331-1215
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t1976081/aaaaaamo.tel
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Previous Handling Restrictions: n/a
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Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2004 by ifshinsr>; APPROVED <23 SEP 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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Type: TE
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